

School of Hospitality

Course Code : BSCH3004

Course Name: Housekeeping Management

UNIT -3 Control Services & safety

Topic 2:Pricing of contract

Topic outcome:

- 1: To understand pricing of contract
2. Interpret different types of contract
3. To understand steps to be taken while making a contract

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Steps to be taken while making a contract which are as follows

- Put tenders to at least three contractor & compare.
- Check out their market credibility.
- Check references thoroughly.
- Check whether the contractor is registered & licensed under The Contract Labor Act 1970 Govt. of India.

- Check the type & amount of training giving to workers.
- Prepare detailed specifications.

Some guidelines for hotels.

Greet the workers.

Visit there working site shortly.

Make sure you are properly insured.

Eye on hotel equipments.

Not pay in advance.

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Who is a Good contractor?

- The contractor who gives Higher level of cleanliness at the same cost which can be obtained by using New technologies, more efficient equipment used.
- Believes in less pilferage & use of higher quality materials which being used.

How will you price the contract?.

- Fixed price

Adv: Advance knowledge of the cost.

Dis : Lack of control over the quality of the personnel.

Work is based on competitive bidding.

- Cost plus fixed fee

Dis : Total cost of the product cannot be determined in advance.

The work performed+ fixed fee for the service.

- Cost plus percentage

Dis:1 Inherent incentives for the contractor to increase the total contract cost.

2 Total cost of the project will not be known in advance.

- Guaranteed maximum

Dis: Not flexible.

- Time & material

Dis:1 Total cost cannot be determined.

2 Very little control over the quality of personnel.

- Fixed cost + the extra work they did in the limited allotted.

- Fixed fee+ the cost of all worked performed. Cost of project in advance.

- Fixed cost of material & labor. Flexible in terms of work.

What are the needs of taking contract?

- Saving cost of labor.
- Divide the formed union in hotel.
- Smooth flow of work.
- Extra work can be undertaken.

Pros

- Accurate budgeting.
- Correct equipment & trained staff.
- No buying or hiring of specialized equipments.
- Extra work can be carried out.
- Risk & hazards to permanent staff are reduced.
- Contractor deals with problem rather than management.
- More profit in terms of labor as no PFs & Medical.

Cons

- Weakens the quality & loyalty of the staff.
- Use of cheaper & poor quality products.
- Poor supervision.
- May not meet the hotel standards of quality.
- Loss of flexibility.
- Problems regarding security.
- Problems regarding co-operation/liaison between departments.

Essentials

Housekeeping department provides detailed specification of the work to the contractor as :

What is to be done,

When it is to done,

How it is to be done.

Specifications

- Period or duration of the contract, date of signing contract & regular review of the specification.
- Schedule of areas to be served.
- Frequency with which job is to be done.
- Hours during which work is to be done.
- Security requirement.
- Provisions of lockers.
- Cover of sickness and annual leave.
- Document giving clear & precise instruction about the task.
- Description of methods, equipments & material required.
- Insurance coverage for guest, workers & assets.

References

- **Hotel Housekeeping Operations & Managements (G.Raghubalan & Smritee Raghubalan) --- Oxford Publication**
- **IHM notes site (://www.ihmnotessite.net/5-Housekeeping)**